



MINUTES
Montana Board of Regents
Montana State University-Great Falls College of Technology
May 28 & 29, 2009

Thursday, May 28, 2009

Roll call indicated a quorum present.

Regents present: Regent Stephen Barrett, Chair, Regent Clay Christian, Vice Chair, and Regents Lila Taylor, Lynn Hamilton, Janine Pease, Todd Buchanan, and Mitch Jessen. Commissioner Sheila Stearns, *ex-officio*, was present. Superintendent of Public Instruction, Denise Juneau, *ex officio*, was excused. Governor Brian Schweitzer, *ex officio*, was represented by Jan Lombardi.

Roll call, approval of minutes, and introductions:

Regent Lila Taylor moved approval of the February 13, 2009 Academic and Student Affairs Committee Conference Call, February 24, 2009 Conference Call, March 6, 2009 Conference Call, and March 19-20, 2009 minutes. Motion passed 7-0.

Students of MSU-Great Falls College of Technology spoke on the following:

- Commitment to fostering a limitless future for students where an open academic environment offers endless possibilities for all learners.
- Focus on flexible courses where evening, weekend, and online sessions allow a diverse student body the opportunity to pursue their academic goals.
- A strong track record of responsiveness to a community where the area's workforce is expanded and enhanced through customized training and continuing education programs.
- An active campus community that is engaged inside and outside the classroom through many community service and professional organizations.
- Financial access and student scholarships that open the educational door of opportunity to learners across Montana, making career goals and personal dreams a reality.
- Recognition that academics and successful students make the educational experience unique.
- Expansion of horizons that enhance the campus, benefit the community, and impact the individuals served through innovative programs and accessible education.

Chairman Steve Barrett addressed the difficult economic times in relation to the current budget challenges and the effect on the institutions. Chairman Barrett reminded the board that the federal stimulus funds are one-time-only funding. He asked members to consider how the Montana University System (MUS) is going to prepare for and deal with the declining budgets two years from now. He said the MUS operates extremely efficiently and is among the top leaders in the country in efficiency. Chairman Barrett stated the need to clearly articulate the missions of each of our units and cautioned the



campuses to not try to be everything for everybody. The MUS needs to be able to deliver the product and communicate effectively to the state that higher education is worth the investment.

Commissioner's Report

Commissioner Sheila Stearns recognized Bill Johnston, UM-Missoula, Cathy Conover, MSU-Bozeman, and Dan Carter, MSU-Billings for their work during the 2009 legislative session on behalf of the MUS. She said the search committee for the position of president of Montana State University-Bozeman, chaired by Regent Clay Christian, has begun meeting. Academic Search is the consulting firm guiding the search process.

- Legislative Update

Associate Commissioner Tyler Trevor, OCHE, told the board that the MUS tracked 178 legislative bills during the legislative session and updated the board on four of the major appropriations bills, which included:

- HB 2 – General Appropriations Act
- HB 13 – Pay Plan
 - ✓ Funding provided to cover 42% of employer paid portion of insurance plan
- HB 5 – Long-Range Building and Planning
- HB 645 – Implementation of Stimulus Funds
 - ✓ Total of \$118 million, with \$58.5 million of direct funding
 - ✓ Includes tuition mitigation, stabilizing budgets, distance learning, Montana PBS, Virtual Academy (HB 459), tribal college assistance, agriculture research and extension, and MUS energy conservation improvements

Associate Commissioner Trevor explained that the American Recovery and Reinvestment Act (ARRA) transparency and accountability categories consist of:

- State stabilization application and reporting
- ARRA Section 1512
- Governor's Office reporting template
- Board of Regent program plan
- Website communications available at www.recovery.mt.gov

Associate Commissioner Trevor said there is a state stabilization application which the governor is required to submit. Qualitative measures include:

- Tuition control
- Efficiency and viability
- Performance and accountability

Associate commissioner Trevor said attribution, credit and acknowledgement will be associated with all the stimulus funds. The MUS will be expected to:

- Visibly connect projects with ARRA and
- Let people know which projects are stimulus funded and identify as such

Examples of fund usage include construction projects, tuition mitigation, and equipment.



and research

Chairman Barrett stated that, right now, business as usual is made possible on behalf of the American taxpayers. The stimulus bill in the US congress came with many strings attached. He said the MUS needs to recognize that the money Montana is receiving is not just from Montana, but from the entire country. The university system has to apply for these dollars, as mandated, and the governor's office has to apply in our behalf. To demonstrate the seriousness, the federal government requires that every page of the application be signed and that the applicants agree to the requirements. The governor's budget office wanted an affirmation from the Board of Regents that the university system fully understands the level of involvement required and that the university system will fully cooperate to be accountable, and to use the funds wisely. The regents concurred that the board and the MUS would adhere to the requirements and accountability measures regarding the federal funding.

- Campus Reports (Written Report Only)
- Board of Regents Meeting Schedule 2009-2011

The board reached consensus on the proposed meeting schedule.

Administrative, Budget and Audit Oversight Committee

NOTE: Action on committee items occurred the following day, Friday, May 30.

ACTION

- a. Authorization to Execute Purchase of Property; UM-Missoula ITEM 143-1008-R0509

President George Dennison explained this item is for approval to acquire a piece of property that has been included in The University of Montana long range planning acquisition zone established in 1987. This acquisition request is the last of several pieces needed to go forth. 70% of the property will be paid for by rental usage and 30% will be paid by general operating funds. President Dennison said that the opportunity to purchase this house may not occur again in the near future.

Regent Barrett encouraged approval of the acquisition due to the fact that opportunities to purchase property adjoining a campus do not often come up; the campus, therefore, needs to act now.

Regent Mitch Jessen asked if this would be used for students or faculty. President Dennison replied that this facility will not be used for the general student population, other than international students.

- b. Authorization for Expansion to the Health, Physical Education and Recreation Building; MT Tech ITEM 143-1502-R0509



Chancellor Frank Gilmore explained this project is one that first needs approval from the Board of Regents, and if approved by the board, the campus will need to have a fee approval to complete the project. Chancellor Gilmore told the board this is to improve the recreational facilities for both campuses. The current building is nearly 30 yrs old, has had some renovation done on the gymnasium, but the remainder of the facilities that are used by both students and student athletes are inadequate and overused. This project was requested by the students.

Regent Barrett questioned if this is about the remodel part or the fee involved (Consent reference is to computer fee agenda, Item c) and expressed concern for two reasons: it is a large fee that continues for ten years. This fee will be paid for by students who are not even in attendance at this time. Regent Barrett also expressed concern because only approximately 200 students voted on this and made the decision for all the students.

President Dennison encouraged support because students want these facilities in order to attend. For example, after improvement of similar facilities at UM-Missoula several years ago, the student usage increased dramatically.

Regent Taylor expressed concern of the \$100 per semester fee due to the current budget situation and other important needs on the campuses at this time.

- c. Authorization to Lease South End Zone of Alumni Coliseum to MT Tech Foundation for the Purpose of Installing a Scoreboard; MT Tech ITEM 143-1504-R0509

Chancellor Gilmore explained that Montana Tech proposes to construct a new scoreboard, which will be paid for with non-state funds. In order to do so, they are requesting permission to lease the needed property. This arrangement permits the Montana Tech Foundation to install the scoreboard and to utilize in-kind donations. Chancellor Gilmore clarified that general fund appropriation money will not be used for the project.

- d. Abrogate the Deed Restrictions on Former BLM Lewistown Field Office Property; MSU-Northern ITEM 143-2802-R0509

Interim Chancellor Rolf Groseth explained this item is for a land exchange. The owner of the land came to MSU-Northern with a proposal to create an entrance that will be used by both properties. MSU-Northern will benefit by using the additional land for parking. Emergency services in the surrounding counties are also supportive of the improved emergency access to the property. Interim Chancellor Groseth said this does not need to go through the state land board for approval.

- e. Proceed with Simulated Hospital as Included in HB 5, 61st Legislature; MSU-Great Falls COT ITEM 143-2853-0509

Dean Joe Schaffer explained that the legislature appropriated \$1.6 million for the creation of the simulated hospital, which will provide practical and simulated learning



with a state-of-the-art facility to prepare students for real-life scenarios not included in academic settings. This project was fully funded in HB 5 and would house current health care programs and utilize existing technologies. Dean Schaffer said this could help alleviate some of the space needs of clinical experiences. The campus is already paying utilities for this facility and will not be making any operating and maintenance (O&M) requests. Dean Schaffer said the State Board of Nursing has set precedence in nursing programs on the usage of simulation methods. Some programs that will use this facility are radiological technology, nursing, and respiratory therapy.

Regent Hamilton asked if this space will serve multiple providers. Dean Schaffer replied that the space will serve multiple providers and that he has had requests from healthcare providers for possible additional usage for occupational therapy, surgery tech, and cardiovascular programs.

Dean Elizabeth Nichols, MSU-Bozeman College of Nursing, said MSU-Northern has worked collaboratively with Benefis Hospital to set up the simulation activities in the healthcare facilities in the region. She stressed the need to work collaboratively and to not duplicate services. Dean Nichols said the education community is pushing for more simulation, but the nursing board's preference is for less simulation.

Regent Taylor said the MUS needs to work together as system on programs and usage of the simulated hospital.

Dean Schaffer said a mini-charrette will be used for the design of the facility. Regents agreed they want the healthcare facilities and other associated groups to be included in the designing of the space.

Greg Paulauskis, Interim Director of Health Sciences, MSU-Great Falls College of Technology (COT), told the board the current facility is not sufficient and the COT, therefore, plans on expanding healthcare programs to use the facility.

- f. Indexed Increases in ASMSU Student Activity Fees; MSU-Bozeman ITEM R143-2011-0509

Regent Christian told the board he wanted to have a maximum percentage level included in this item before the board votes on the item.

- g. Yellow Ribbon Program; ITEM R143-108-R0509

Allen Yarnell, Vice President for Student Affairs, MSU-Bozeman, explained this program would affect all Montanans who meet the requirements of the new GI Bill. The Veterans Administration (VA) passed an amendment, which stated that, in addition to covering the tuition for resident students, the VA will also pay 50% of the tuition for eligible non-resident veterans. MSU-Bozeman is interested in this but cannot predict how many students this may bring to campus. It is up to the campuses' discretion whether or not to participate in this. Vice President Yarnell said this also covers off-campus education (including on-line) and the cost of mandatory student health insurance coverage.



h. FY10 and FY11 Tuition and Fees; ITEM R143-102-R0509

Regent Clay Christian stated that he had previously asked the campuses to explain the effects on the campuses if there was a 0% tuition increase. He added that the impact to the campuses would be significant and questioned what level of tuition increase would be appropriate. Regent Christian stressed that the stimulus funds are one-time-only funds and thus need to be embraced in the sense of reform. He cautioned that if there were too deep a reduction, along with a challenge of reform, the significance of the task might result in a level of change which is too extreme. Regent Christian questioned if the board should consider a moderate increase at the two research institutions or at all the campuses. He added that the university system needs to undertake systematic and programmatic change.

President Dennison explained an alternative proposal which would allow the two research campuses to increase tuition 5% for resident tuition. A 5% increase at UM-Missoula would result in an increase of less than \$200 per resident student. President Dennison clarified that the Board of Regents would need to approve the transfer of funds to other campuses.

President Geoff Gamble expressed support of President Dennison's alternative proposal. He said this would make it possible for the two research institutions to work with the smaller four year and two-year campuses with regard to reallocating funds and meeting the missions of the individual institutions.

Commissioner Stearns indicated this should be described as Office of the Commissioner's allocation or re-allocation of state funds.

Regent Lila Taylor said this would need to be approved by the board because the issue of perception is important.

Regent Hamilton asked what relationship this has to cuts that were anticipated prior to this point. She also expressed concern with the tuition differential and assigning a greater percentage of funding to the smaller campuses.

Regent Buchanan expressed concern in the growth of the university system in regards to financial needs. He said he was concerned with where the university system will be two years from now if the cost structure continues to increase but the economy does not improve during that time. Regent Buchanan said the board needs to give direction to the campuses and the commissioner's office regarding growth in expenditures. Regent Buchanan told the board he cannot support a tuition increase of any percentage.

Regent Barrett reminded the board that the purpose of the stimulus funding is to preserve jobs and keep people working. He explained that in accepting the stimulus funds, the board was essentially making an agreement that any staffing reductions would be made at the lower end of the spectrum, in terms of the number of employee layoffs.



Regent Christian asked what level of reductions would be responsible and cautioned against making too drastic of a budget reduction. The campuses will make the decisions regarding what reductions each campus makes.

Regent Taylor said it would be irresponsible to spend additional money for facilities improvements at this time and, rather, the focus needs to be on educating the students.

Regent Barrett stated that both increasing tuition and not increasing tuition viewpoints have been presented to the board. Once the decision is made, the campuses will implement the decision.

Commissioner Stearns explained that the campuses gave presentations at the May 13, 2009 Board of Regents budget meeting showing the effects of a 0% increase in tuition. President Dennison presented the information for alternative plans in tuition levels today. She said both Presidents Dennison and Gamble expressed support for modest tuition increases at the two largest campuses.

Regent Jessen said he has received comments from students in support of tuition increases. Students do not want the current resources to suffer by a reduction in personnel, nor do they want people to lose their jobs. Regent Jessen said he did not support a tuition increase if it was for the purpose of construction of new buildings, however.

Regent Christian explained the board would now begin the discussion on fees. He reminded the board that they made a commitment that they would not replace tuition with fees. Regent Christian expressed concern with fee increases above 3%. He noted that there were many new proposed fees from the campuses and he could not support the high number of fee increase proposals. He also said he was concerned about tuition increases for non-resident students being lower than the increases for resident students.

Deputy Commissioner Robinson explained the fee increase requests from the campuses and reminded the board that there were a number of fees with no increases proposed for the next two years.

Regent Christian wanted board discussion on the board's position regarding fee increases above 3%. He said campuses were directed to avoid shifting costs from tuition to fees.

Regent Barrett asked the campuses to comment on the problematic fees.

Dean Dan Moshavi, MSU-Bozeman College of Business, explained that retention and recruitment were problems but the purpose of a fee from the MSU-Bozeman College of Business was not to backfill salaries.

Regent Christian said he was not familiar with the practice of using fees to offset salary retention and recruitment problems.



Provost David Dooley, MSU-Bozeman, replied that super-tuition is an increment paid by majors within a program. Many students take courses within the College of Business but do not necessarily have majors within that program. Therefore, the fee is a per-credit fee regardless of major. Provost Dooley said this serves the same purpose as a super-tuition and the costs are borne by those students receiving the direct benefits.

Regent Hamilton questioned if this practice comported with Board of Regents tuition policy. She said this isn't a fee charged to the major, but is rather a fee charged to any student taking the courses. Provost Dooley responded that the justification of this fee is for the high cost of courses within this program.

Regent Hamilton reminded the board that a rationale for consideration of super tuition was that the graduates within those specific programs would quickly recover those costs as employees within the workforce of that major. She said it appears this fee should be included within the tuition structure instead.

Regent Christian added that this particular fee appears to be tuition in disguise, contrary to Board policy

Deputy Commissioner Robinson clarified that documentation received on this showed this increase was for covering salary increases.

Vice-President Craig Roloff, MSU-Bozeman, added that the student facilities enhancement fee and the student union fee were projects that were developed by the students and approved in 2004. Students had agreed to pay a portion of the cost of the projects and O&M. When the students voted to undertake these projects, it was understood that the students had to undertake a certain portion of the debt obligations and the O&M. He explained that the debt obligations began two years ago, but the O&M begins now that the projects have been completed. MSU did not request a specific fee increase in 2004 but waited until the project was completed.

Regent Buchanan said by using this process the campuses run the risk of the fees not passing in the future.

Regent Barrett said the Board of Regents did approve the fee back in 2004 because that was the package put forth at that time. He stated that perhaps the process needs to be changed if regents are concerned.

Commissioner Stearns said this is partly semantics; this is a new, but previously approved fee, but it is also fair to the students that the campus delays implementing the fee until completion of the project.

Deputy Commissioner Robinson reminded the board that the students want the fee to be high enough to maintain the facilities at a high level. This particular issue is that there may have been an underestimation of the O&M costs.

Regent Taylor said this was voted on by students that are no longer in the system. This obligated future students to pay for something other students voted for.



Justin Folsom, Associated Students MSU Senate President, said the students today get a great deal of benefit from this facility and the students are willing to pay this fee.

Public Comment:

Andrew Ware, Chair of Faculty Senate, UM-Missoula, said that Montana already spends less than any other state per student at UM-Missoula and MSU-Bozeman which means that there is no place to trim the budgets. Enrollment is increasing, but yet the campuses are getting less funding from the state general fund. He told the board that, even with a proposed 5% tuition increase, reductions would still be needed. The faculty are supportive of a 5% tuition increase.

Sonny Kless, Associated Students of The University of Montana-Missoula, urged support of the \$4.00 optional fee, and explained that this goes toward a revolving loan fund to be used for energy projects that students create and implement themselves.

Kristiny Loret, Associated Students - MSU-Northern, stated that education is an investment and that there is strong student support for a 5% tuition increase. Ms. Loret requested support for a 5% tuition increase at MSU-Northern as well as at the other campuses and not just the two largest universities.

Erik Burke, MEA-MFT, stated that the American Recovery and Reinvestment Act (ARRA), is an opportunity to invest in higher education. Training and education for the workforce is essential for recovery. Mr. Burke said the legislature did not fund the present law base of the university system and, while the lack of funding is a problem, this is the wrong time to dis-invest in students and education. Montana currently has one of the most efficient university systems in the country and trying to freeze tuition for two more years simply is not going to work. Mr. Burke expressed the following concerns:

- Enhanced work loads
- Reduction of faculty
- Less instructional material
- Fewer course offerings

Mr. Burke advocated for a 5% tuition increase to cover present law increases.

Teresa Snyder, President ASMSU, said students are very unhappy that the legislature did not choose to fund the current cost increases and enrollment growth for higher education, but the students are willing to cover the shortfall, through tuition increases, if it means maintaining the quality of education.

Evan Christophaneli, MSU-Billings, stated his concern there would be fewer course offerings if tuition is frozen.

Kathy Crego, MT Public Employees Association, (MPEA), said members of MPEA are also students and parents. MPEA supports 5% increase in tuition and stressed the importance of maintaining quality. Ms. Crego reminded the board that if tuition does not increase, the number of people affected by the recession will be increased.



Montana Representative Dan Villa, Anaconda, said Governor Schweitzer's version of HB 645 had allocated no funding for tuition mitigation. The legislature then put the money into the bill for higher education. He reminded the board that the American Recovery and Reinvestment Act funding is not a growth fund but rather a maintenance fund.

Grow Eastern Montana

President Stefani Hicswa, Miles Community College (MCC), explained the tuition proposal FY10-11 pilot program, entitled Grow Eastern Montana. MCC requested permission to provide an in-state tuition rate to all out-of-state and international students from Wyoming, North Dakota, South Dakota, and Canada beginning in the fall semester of 2009.

Regent Hamilton questioned how the system will evaluate this in the next two years.

Regent Barrett explained that he plans to recommend a 3% tuition increase at MSU-Bozeman and UM-Missoula with the Office of the Commissioner re-allocating state funds to the smaller campuses.

INFORMATION

- a. Annual Status Report of Project Authority; MSU-Bozeman
- b. Annual Status Report of Project Authority; UM-Missoula
- c. Negative Fund Balance Update; MSU-Northern
- d. Research Support Facility (Vivarium); UM-Missoula

CONSENT

- a. Memorandum of Understanding Between MSU & MSU Foundation; MSU-Bozeman ITEM 143-2010-R0509
- b. Memorandum of Understanding Between UM & UM Foundation; UM-Missoula ITEM 143-1009-R0509
- c. Authorization to Expend Student Computer Fees; MT Tech ITEM 143-1503-R0509
- d. Authorization to Expend Student Computer Technology Fees; UM-Helena COT ITEM 143-1901-R0509
- e. Authorization to Accept the Donation of Real Property; UM-Helena COT ITEM 143-1902-R0509
- f. Execute Easement/Right of Way Agreement at Kagy Boulevard & South 11th Ave with the City of Bozeman; MSU-Bozeman ITEM 143-2008-0509
- g. Easement/Right of Way Between Hill County Electric Cooperative & Northern Ag Research Center, MT Agricultural Experiment Station; MSU-Bozeman ITEM 143-2009-0509
- h. Approval of Participants: Rural Physician Incentive Program; Office of the Commissioner of Higher Education ITEM 143-104-R0509



Regent Taylor asked for clarification on consent item d. Dean Bingham said this is to be used for replacement laptops for faculty.

Academic and Student Affairs Committee

NOTE: Action on committee items occurred the following day, Friday, May 30.

ACTION

a. Revision of Policy 706.1; Faculty Tenure ITEM 143-103-R0509

Deputy Commissioner Sylvia Moore explained this was a policy revision of faculty tenure with the purpose to allow the university system to match the competition in cases where extremely qualified individuals have applied. This would serve as a recruitment and retention tool by allowing the campuses to offer tenure early and at the time of hire. This makes it possible for Montana to remain competitive.

Regent Jessen asked if there was a probationary time before tenure would be granted. Provost Royce Engstrom, UM-Missoula, said there is a six year probationary period, and, while there is some risk involved, this revision applies to people who are clearly among the leaders in the nation with developed the ability to be leaders and scholars. Provost Engstrom said the campuses take the hiring of these individuals very seriously and stated that tenure is an investment in the future.

Regent Taylor asked what would happen if a campus has hired someone and the Board of Regents does not approve tenure. Provost Engstrom replied that all tenure is subject to approval by the board and that the applicants understand that is the case.

Deputy Commissioner Moore explained that those decisions are thoroughly vetted prior to coming to the Board of Regents. She said this option is targeted at a small, elite group that has already achieved tenure at other campuses.

b. Hamilton Higher Education Center; ITEM 143-1010-R0509

Provost Engstrom explained that the Hamilton Higher Education Center (HHEC) opened two years ago. The proposed Bitterroot Valley Community College (BVCC) initiative failed in the legislature. Deputy Commissioner Mary Moe, OCHE, has led an effort to move forward with higher education in the Bitterroot Valley. Provost Engstrom said that a steering committee has been formed with members from the Bitterroot, UM-Missoula, OCHE and the community. Authorization of the regents is needed to move forward. The following actions have been recommended by the steering committee:

1. The University of Montana will terminate the Hamilton Higher Education Center as of June 30, 2009.
2. The Board will authorize The University of Montana to deliver higher education in the Bitterroot Valley in an ongoing manner with guidance from the steering committee through a university entity yet to be named.



Patricia Wilson Meakin, HHEC steering committee member, requested that the regents approve the HHEC item. Regent Buchanan asked about the participation rate of those previously involved with the BVCC effort. Deputy Commissioner Moe responded that both the trustees elect and the advocacy group have designated seats on the steering committee, and in fact, Ms. Meakin represents the advocacy group.

Regent Hamilton asked if this action item indicated philosophically that UM-Missoula is willing to provide some form of support to maintaining this effort. Provost Engstrom responded yes and said UM-Missoula has provided \$200,000 each of the past two years. He said the level of service will continue at the same level. Deputy Commissioner Moe added that part of the charge of the steering committee is to develop performance measures and benchmarks that will be used to justify continuing support as the programming evolves.

Deputy Commissioner Moe told the board that the committee is also searching for an interim director, who will lead the committee in more completely designing the model for expanded programming in the Bitterroot.

PUBLIC COMMENT:

Erik Burke, MEA-MFT cautioned the board that the tenure policy should be bargained and should be part of the bargaining process. He said it is problematic to allow people outside the system to come into the system and receive tenure.

Senator Jim Peterson, SD 15, testified that \$2 million that was vetoed by the governor following the legislative session was intended for equipment and infrastructure in the agriculture research centers. The \$2 million ended up going to the ending reserve funds, which will not stimulate anything. Senator Peterson responded to the governor's comments about research grants. He explained that congressionally appropriated grants include language detailing how they are supposed to work. Some of the grants that Governor Schweitzer has raised questions about are grants that Senator Peterson has been involved with. He stated the grants were driven by the industry, with the congressional delegation on both sides of the aisle approving it. Senator Peterson said MSU has had more transparency than most grants at universities ever get. He reminded the board that the grants resulted in \$20 million in research money for graduate and undergraduate students.

Lochiel Edwards, farmer from Big Sandy, addressed changes in Policy 401 research. He said the regents need to be careful about sending a message that you are severing the relationship with the private industries. He cautioned the board about the perception and message about public/private partnerships.

Regent Barrett clarified the draft research guidelines do not want to have unintended consequences.

Bing VonBurgen, President, MT Grain Growers Association, urged the regents to place Dean Jeff Jacobsen, MSU-Bozeman, on the MSU presidential search committee.



Regent Christian said the land grant university and agriculture representation was discussed and the committee is aware of the importance of agricultural representation.

Regent Christian explained that Regent Lila Taylor was put on the committee as a representative of the agriculture community. Doug Steele, Extension Service, is also on the committee representing agriculture.

John Youngberg, Montana Ag Coalition, addressed research policy 401 and encouraged the regents to maintain some type of flexibility in the process to allow responses to last minute requests.

c. Montana State University-Great Falls requests approval of the update of the College Mission Statement; ITEM 143-2851-R0509

Dean Joe Schaffer said MSU-Great Falls COT needs a clear vision and mission statement and they, therefore, refined their mission values. Dean Schaffer said this was done to meet the standards of the accreditation audit, which the COT will begin in 2011.

Regent Hamilton said this is an appropriate time for the board to have the conversation on how to work on institutional mission. She pointed out that this mission statement demonstrates the intent of this institution. Regent Barrett concurred.

Regent Buchanan agreed with MSU-Great Falls COT's mission as a community college.

Commissioner Stearns commended the work that went into the formation of the mission statement. She cautioned the board to be wary of resource intensive mission statements and endorsed the community college mission across the two-year college sector.

Level II Items

d. A.A.S. in Insurance; Miles Community College ITEM 142-402-R0309

Provost Shelly Weight, MCC, requested the approval of the insurance A.A.S. degree. She explained this would provide access to people throughout the state. An insurance company came to Miles Community College to see if they would be interested and willing to provide this program. The campus first evaluated the program see if it would be feasible. The program would be on-line and would, therefore, be accessible throughout the state.

Regent Jessen asked if another campus already provided this degree. Provost Weight replied that some business programs offer something similar, but that the closest campus that offers this is in the state of Washington.

e. A.A.S. in Biofuels Energy; Miles Community College ITEM 142-403-R0309



Provost Weight, MCC, explained this was part of the WIRED grants. MCC has had a demonstration on this for the past two years. MCC has partnered with UM-Missoula and MSU-Billings on this. MSU-Northern has a biofuels component in their program and MCC has worked with MSU-Northern, as Northern is the only place that can look at the fuel to make sure they are right.

f. Certificate of Applied Science in Computer Aided Design; UM-Missoula
COT ITEM 142-1008-R0309

Provost Engstrom explained this certificate is in response to considerable interest by the Missoula community. Provost Engstrom said the campus attempts to balance workforce needs and the fiscal responsibility. This is a one-year certificate program that is basically a step on the way to an associate of science degree in computer technology. This allows UM-Missoula to be responsive to what the community needs are.

Regent Jessen asked if the classes are offered at MT Tech in Butte and MSU-Billings and whether they would be able to offer the same with their current resources. Provost Engstrom replied the courses are not available on-line in their entirety and that it would not meet the local needs for an in-person program.

Dean John Cech added that MSU-Billings has a program, but it is not offered on-line because the files students have to work with are extremely large and not transferable on-line. There is also a great deal of equipment involved.

Dean John Garic, MT Tech College of Technology, responded that they have similar issues with file sizes and equipment. The UM program being requested deals with a local need, just at MT Tech's does.

Dean Barry Good, UM-Missoula COT, said the high schools are interested in this program and that it is their intent to work with high school students, either through dual credit or Big Sky Pathways.

g. Masters of Science in Geography; UM-Missoula ITEM 142-1009-R0309

Provost Engstrom said this proposal recognizes there are two pathways to geography – the philosophical and the scientific portion. He added that this provides another option on the scientific side for better employment options. Provost Engstrom said the students currently enrolled in the masters of arts degree program will re-distribute between the two degrees.

CONSENT

Level I memorandum

INFORMATION

a. e-Transcript Update



Provost Engstrom explained that the electronic transcript has been a pilot study as they evaluated the feasibility of a state-wide information system. He said the project included entering information into a database to transfer from high school to higher education. A steering committee with representatives from OCHE, OPI, Governor's Office and the K-12 community has focused on three institutions and five K-12 districts. The project consists of three phases:

1. Data entry, moving the transfer info from k-12 into the central database
2. Work with the movement of the data between k-12 and higher education
3. Experiment with analytical data

Provost Engstrom said it is important to determine how to assure the information works well with the state-wide data system.

Commissioner Stearns told the board that the state-wide information system is now a high priority of the Montana University System. Details concerning the ability to analyze and interpret the data and how this will interface with the two-year system are still under discussion.

b. Campus Bookstore Textbook Cost Mitigation Ideas - Bryan C Thornton, The Bookstore at the University of Montana

Bryan Thornton, Director of the UM– Missoula Bookstore, explained that the cost of textbooks has increased 45% in recent years. Mr. Thornton said the campus bookstores are trying to get the textbooks to the students at a cheaper price. He noted used books will never be the solution because the used books and new books are in conflict. The bookstores are, therefore, trying to find ways to bring the textbooks to students in a digital form. In the digital formats, the students would only be paying for the material that they need and that the cost of developing the material electronically would be 35-40% less than printing the material. Mr. Thornton said they are in the process of forming a library of intellectual property that the faculty can choose from and then only paying the publisher for the part that they actually use. Fee guarantees will have approval by the regents. If this method is followed, then the regents will have to get more involved in making these decisions.

Regent Buchanan requested this be an action item at a future Board of Regents meeting.

c. MUS Campuses will collaborate to offer a common program in Sustainable Energy Technology – Wind

Deputy Commissioner Moore said this is a placeholder as this will be an action item at the next Board of Regents meeting. Deputy Commissioners Moe and Moore said some campuses will be working together over the summer to put together a program in sustainable energy.

Regent Barrett commended the campuses for working on this system-wide prior to having the board vote on this.



d. MSU Billings 2009 Final Accreditation Report

Chancellor Ron Sexton said MSU-Billings developed a detailed action plan to address all the issues in the accreditation assessment. Their campus has been dealing with this program by program, department by department and college by college. Chancellor Sexton said when this is complete it will allow MSU-Billings to look at any program and see what has been achieved in that program.

Regent Buchanan asked if MSU-Billings had the resources to continue programs as they have in the past and expressed concern that the campus is trying to do too many things. Chancellor Sexton replied that they shared the same concern and, in response, MSU-Billings is already addressing some of Regent Buchanan's concerns.

e. MSU Great Falls 2009 Final Accreditation Report

Chief Academic Officer Heidi Pasek explained they were pleased with the progress report in response to the accreditation report that was accepted for 2007. The recommended criteria for accreditation dealt with institutional assessment.

f. Miles Community College 2009 Final Accreditation Report

President Hicswa explained there were five recommendations in the accreditation report, and that MCC is now down to one recommendation to complete, which is the same recommendation that Great Falls COT is facing. Accreditation wants MCC to complete the process on academic outcomes.

g. Level II memorandum to campus academic officers (BOR will act on this item at the August 2009 BOR meeting)

Deputy Commissioner Moore said this comes forward in the summer and is for two-year schools only.

h. OCHE appreciation for Montana Tech's 2 year renewal of Bill Macgregor's temporary leave to serve as director of the transfer Initiative

Deputy Commissioner Moe extended appreciation to MT Tech for allowing extension of the assignment of Bill Macgregor, who is crucial to the transfer initiative.

i. Institute for Leadership and Public Service at the Mansfield Center – a congressionally-directed grant of \$238,000

Regent Pease introduced Governor Brian Schweitzer who is attending this portion for the purpose of discussing items I & j.

Regent Barrett said the level of accounting and transparency on the federal grants is overwhelming and the rules are changing for congressionally funded grants. Regent Barrett explained proposed research guidelines which will not be acted upon at this



meeting. The guidelines reflect a potential change to the BOR Policy 401 research. Policy 401 would require that the grants be approved by the regents and that this would not affect the competitive process.

Governor Brian Schweitzer said he visited recently with the Secretary of Education and Secretary of Housing (HUD) at which time those officials asked what Montana is doing with the stimulus dollars. The governor told the Secretary of Education that Montana has a proposal to deliver education to every household in Montana. Governor Schweitzer said he does not think the quality of education will decrease if tuition is not increased. He asked what steps the MUS plans to take in order to make reductions. He stressed the need for more distance education, the importance of two year education, and the digital generation of students who need life skills. The governor said the jobs of the future are demanding that the students have life skills.

Governor Schweitzer also talked about research and earmarking in research.

j. Research Administration and Oversight

President Dennison said the campuses had not seen these guidelines prior to the meeting and that concerns raised about the language should be expected when seeing a draft that they had not seen before. He cautioned the regents to make sure the language does not interfere with legitimate congressional interests.

Regent Barrett agreed with President Dennison, and commented that the world of congressional grants is changing.

Deputy Commissioner Moore explained the process and said she is meeting with the research departments and with the Experimental Program to Stimulate Competitive Research (EPSCoR) group this summer. This will come back to the September or November Board of Regents meeting with any adjustments that may need to be made. She reminded the regents of the importance of having the type of climate that is friendly for research.

Workforce Development and Two-Year Education Committee

NOTE: Action on committee items occurred the following day, Friday, May 30.

INFORMATION

MOA Update

Deputy Commissioner Mary Moe spoke on the Making Opportunity Affordable (MOA) productivity agenda. Funded by the Lumina Foundation for Education, MOA is committed to increasing higher education degree production so that the United States can once again be the most educated country in the world. Montana's goals for increasing educational attainment levels focus on:



- Increasing enrollments in two-year programs
- Increasing certificate and degree production at two-year colleges
- Increasing successful transfer, thereby increasing four-year degree production
- Improve efficiency in order to improve affordability for students and state

Deputy Commissioner Moe summarized Montana's recent and upcoming activities connected to these goals:

- Representatives from all Montana's colleges of technology and community colleges and five of the seven tribal colleges just completed a conference in Great Falls dedicated to identifying challenges and opportunities for Montana's two-year colleges.
- Over 40 individuals from state government, OPI, the Board of Public Education, and two-year and four-year campuses contributed to an audit of the policy framework for two-year education in Montana. The policy audit examined how Montana's laws, administrative rules and policies create a framework for two-year education in Montana. The audit is quite extensive but two major themes became apparent:
 - There needs to be better coordination in the two-year system so that communication and delivery are more consistent and efficient.
 - If Montana is going to engage more high school students, non-traditional students, under-prepared students, and low-income students, we must look at their needs and design our programs to meet them.
 - With relatively high tuition and low needs-based aid, Montana's colleges are engaging fewer and fewer low-income students.

An important strategy addressing all three of those themes is the effort to implement an integrated information system. Associate Commissioner Tyler Trevor explained the goal and need for a coordinated integrated information system. The major key benefit will be to increase student access. Currently, the MUS has more of a de-centralized system, with each institution having its own individual system. The MUS will now have the ability, with funding from HB 645, to implement strategies that will move the MUS toward the formation of an integrated information system. Funds from the MOA grant have the potential to leverage additional resources for this project. He stressed the need for the campuses to be actively engaged in this project, which would advance the two-year consortium model originally outlined in Montana's MOA proposal in September 2008.

Regent Pease told the board that the next step is to put together another proposal for the MOA to be submitted in September 2009, which involves \$2 million over the course of four years and also allows access to additional resources available at the national level. She said the board will be looking for the two year campuses that are willing to be in the first set of campuses to participate in the integrated information system.

ACTION

Policy Audit ITEM 143-107-R0509

DISCUSSION



The Academic Year in Review: Perkins IV Report

Deputy Commissioner Mary Moe called the board's attention to the annual Perkins IV Report included as an attachment to the agenda item. It has been a very active year and one that has been characterized by collaboration, especially between OCHE and OPI. Two items in the report are of particular interest:

- The United State Department of Education has announced they will come to Montana in 2010 for a monitoring visit. The date is not yet certain.
- The 2009 legislature allocated \$2 million in stimulus funding to the commissioner's office for the development of five early college pathway programs, so Perkins staff will be working with the Office of Public Instruction on this project.

Executive Session The meeting was closed for individual privacy reasons for completing evaluations of UM President George Dennison and Commissioner Sheila Stearns

Evaluations:

- President George Dennison
- Commissioner Sheila Stearns

Friday, May 29, 2008

The Board reconvened at 8:30 AM.

Staff and Compensation Committee

INFORMATION

- a. Collective bargaining update
- b. University Faculty Association (UFA) presentation
- c. Presidential executive search update

Regent Buchanan stated this is not an era where the university system can afford to do everything and that certain levels of compensation may not possible in the current economic environment.

Doug Coffin, UM-Missoula, Vice President of University Faculty Association, stated that the university system is in a situation where we've been doing the same thing over the last ten to fifteen years. He stressed the need to define what kind of system the citizens want, what the system can afford and how to fund it. Mr. Coffin stated that campus departments are running out of resources and it is destroying morale.

CONSENT

Staff Items

- a. MT Tech of UM ITEM 143-1500-R0509
- b. UM Western ITEM 143-1600-R0509
- c. MSU-Billings ITEM 143-2700-R0509
- d. MSU-Northern ITEM 143-2800-R0509



- e. MSU-Great Falls COT ITEM 143-2850-R0509
- f. Authority for Employee Equity Interest and/or Business Participation under Policy 407; (Roos & Reibel) MSU-Bozeman ITEM 143-2006-R0509
- g. Authority for Employee Equity Interest and/or Business Participation under Policy 407; (Blake) MSU-Bozeman ITEM 143-2007-R0509
- h. Professor Emeritus of Modern and Classical Languages and Literatures: Robert Acker; UM-Missoula ITEM 143-1001-R0509
- i. Professor Emeritus of Management and Marketing: Mary Ellen Campbell; UM-Missoula ITEM 143-1002-R0509
- j. Professor Emeritus of Computer Science: Alden Wright; UM-Missoula ITEM 143-1003-R0509
- k. Dean Emeritus: School of Journalism and Professor Emeritus: Journalism: Jerry Elijah Brown; UM-Missoula ITEM 143-1004-R0509
- l. Professor Emeritus of English: Michael Beehler; MSU-Bozeman ITEM 143-2001-R0509
- m. Professor Emeritus of Physics: Gerald F. Wheeler; MSU-Bozeman ITEM 143-2002-R0509
- n. Professor Emeritus of Nursing: Elizabeth G. Nichols; MSU-Bozeman ITEM 143-2003-R0509
- o. Professor Emeritus of Architecture: Peter Kommers; MSU-Bozeman ITEM 143-2004-R0509
- p. Professor Emeritus of English: Sharon Beehler; MSU-Bozeman ITEM 143-2005-R0509
- q. Professor Emeritus of Mathematics: Joseph Howell; MSU-Billings ITEM 143-2710-R0509

Kindergarten to College Connections

- Presidents George Dennison and Geoff Gamble

President Dennison gave an update on efforts toward the Science and Math Teacher Initiative for the purpose of promoting teachers. President Dennison explained that they discovered that data systems are not as integrated as they need to be to be able to gather the appropriate data. The committee has agreed on the following steps:

- Create a road map to identify progress and vision for the initiative
- Develop a state plan with a recommendation for systematic data collection
- Identify national funding opportunities through the National Science Foundation and the National Math and Science Initiative
- Coordinate and orient other MUS campuses
- Create a survey to distribute to members from the Montana Science Teachers Association (MSTA) and the Montana Council for Teachers of Math (MCTM)

- Superintendent of Public Instruction Denise Juneau

Superintendent Denise Juneau spoke on continuing work on partnerships to educate all Montana students. She said there is a national movement to develop common course standards in science and math and that her office signed a memorandum of agreement with a national group indicating Montana's cooperation with the common course



standards, without binding the state to the standards. The Board of Public Education will be adopting standards using participation of representatives from businesses, higher education, and K-12 to determine workforce needs.

Superintendent Juneau said she recently met with the U.S. Secretary of Education, Arne Duncan in which Superintendent Juneau stressed the needs of rural schools.

- Deputy Commissioner Mary Moe

Deputy Commissioner Mary Moe introduced Rene' Dubay, Director of Talent Search and Partnerships for Access, OCHE. Ms. Dubay said the National Association of System Heads, (NASH) is working to close the gaps by one half in both college attendance and college completion that separate minority and low-income students from others by 2015. Nationally, one third of minority students are attending higher education.

Commissioner Stearns said in addition to the NASH system has working on these issues, the Association of Governing Boards (AGB) also addressed similar issues at the national conference.

- Deputy Commissioner Sylvia Moore

Deputy Commissioner Moore introduced Jan Clinard, Director of Academic Initiatives, OCHE, who gave an update on the Montana University System Writing Assessment (MUSWA). Ms. Clinard said she conducts collaborative training of and coordinates scoring by, 322 teachers, college instructors, and pre-service teachers throughout the state. Professional dialogue is key to the project. Ms. Clinard said the number of students achieving levels of proficiency and above has steadily increased, with 71% of the students now exhibiting proficiency in writing.

Superintendent Juneau told the board that the Office of Public Instruction (OPI) is doing several pilot programs throughout the state on writing assessment. Her office is working on formal assessment and on-line programs available.

- Jan Lombardi, Governor's Office

Jan Lombardi said the next meeting of the Board of Education will be held November 5, 2009. She said the K-College group has met to discuss what is important for Montana to coordinate.

COMMITTEE REPORTS, DISCUSSION & ACTION

a. Administrative, Budget, and Audit Oversight.

ACTION

- a. Authorization to Execute Purchase of Property; UM-Missoula ITEM 143-1008-R0509



Regents Jessen and Buchanan expressed opposition to the purchase of property by The University of Montana due to the current economic climate.

Regent Barrett urged support of the purchase because it sometimes takes many years to acquire adjoining property such as this and the campus may not get the opportunity again.

Regent Christian also urged support and said these pieces of property are critical. He said the campus is only able to accomplish certain goals by acquiring property such as this.

Regent Barrett moved approval of Item 143-1008-R0509. Motion passed 4-3, with Regents Buchanan, Pease and Jessen voting no.

- b. Authorization for Expansion to the Health, Physical Education and Recreation Building; MT Tech ITEM 143-1502-R0509

Regent Barrett moved approval of Item 143-1502-R0509 for the purpose of discussion.

Regent Jessen said he supported this item on behalf of the students at MT Tech and their desire for completion of this project. He said the students deserve to have access to an improved facility.

Regent Barrett said he was bothered by a \$100 fee which is going to last over a period of ten years, where only 16% of the students actually voted.

Regent Hamilton expressed support and said this is a situation where this may contribute to the health and welfare of the students. She also did not like the amount of the fee but added that MT Tech has done an exceptional job with providing students with earning opportunities that will help offset the cost of this.

Regent Taylor opposed the item and said this sends the wrong message since tuition has not been voted on yet.

Regent Christian also expressed opposition to the item.

President Dennison explained the Architecture and Engineering (A&E) process requires the campus to demonstrate the availability of funds prior to starting the project.

Regent Hamilton asked whether, if the fee passes at a lower rate and the building proposal also passes, would the campus have the authority to seek outside funds? President Dennison said yes, but the campus could not begin construction or the A&E process until the needed funds were available.

Chancellor Gilmore added that it is impossible to market an institution without a "state of the art" physical facility because students today expect to have access to such facilities.



Regent Barrett asked what would happen if the regents approve the project but reduce or don't approve the fee?

President Dennison replied that it depends on the outcome of consultation with the students. He stressed that the students had the opportunity to vote on a lower fee but had voted for the larger fee instead.

Regent Barrett asked if this item could be deferred to the September Board of Regents meeting to allow the regents to consider this item further. President Dennison said yes, as long as the deferral includes the fee. The fee has been removed from the action item and deferred to the September Board of Regents meeting.

- c. Authorization to Lease South End Zone of Alumni Coliseum to MT Tech Foundation for the Purpose of Installing a Scoreboard; MT Tech ITEM 143-1504-R0509
- d. Abrogate the Deed Restrictions on Former BLM Lewistown Field Office Property; MSU-Northern ITEM 143-2802-R0509
- e. Proceed with Simulated Hospital as Included in HB 5, 61st Legislature; MSU-Great Falls COT ITEM 143-2853-0509
- f. Indexed Increases in ASMSU Student Activity Fees; MSU-Bozeman ITEM 143-2011-0509
- g. Yellow Ribbon Program ITEM 143-108-R0509
- h. FY10 and FY11 Tuition and Fees ITEM 143-102-R0509

Regent Christian moved approval of c,d,e and g. Motion passed 7-0.

Regent Christian questioned if the fee in item f is not indexed if the fee is less than 5%. President Gamble responded that item f clarifies indexed fee increases will automatically be approved at the lesser of 3.5% or the 3-year trailing average CPI (3-year CPI). In the event that the 3-year CPI exceeds 3.5%, the ASMSU Senate may, with a $\frac{3}{4}$ majority vote, propose fee increases at the 3-year CPI level, up to 5%. Fee increases above 5% will require a student vote. The item also states that other increases or new fees may, from time to time, be proposed for the expansion of programs, provision of new services or supplementation of existing fees. Such additional charges will be subject to individual approval by ASMSU and the Board of Regents. Upon approval, such additional fees will become part of the base upon which indexed increases would apply, unless specifically exempted.

President Gamble explained that MSU proceeded this way to be consistent with UM [Item 133-1020-R1106]. President Dennison said if the fee increase exceeds 5%, then it has to come before the Board of Regents for approval.

Regent Hamilton said if the three year amount is less than the 3.5% CPI, then the board needs to include language to clarify what happens. Deputy Commissioner Robinson noted that the revised language of ITEM f addresses this circumstance.

Regent Buchanan stated that this is not what the regents asked for and he, therefore, will not support the fee.



Regent Christian moved approval of item f. Motion passed 4-3, with Regents Taylor, Pease and Buchanan voting no.

Regent Barrett moved approval of the existing mandatory fees as presented. Motion passed 6-1, with Regent Buchanan voting no.

Regent Barrett moved approval of all existing mandatory fees at the 3% level, with the campuses determining how the funds are allocated. President Gamble clarified that the mandatory fees include the student fees. He explained that the campus mandatory fees are 3% and the student fees are above that amount.

Deputy Commissioner Robinson said the guidelines that apply to all the campuses did include the student fees. He said the MSU student fees are driving the percentage above the 3% level, whereas the UM student fees are 3% or below. Deputy Commissioner Robinson recommended what MSU presented on its campuses, with some downward movement on the course fees.

Regent Christian said President Gamble is willing to have some reduction in fees and that will reduce some of the increases.

Regent Buchanan was not comfortable with setting a precedent and encouraged the regents to keep it under 3%.

Regent Taylor stated concerns with funds for future O&M and replacement costs and questioned what percentage of the student fees would go toward these two issues?

Regent Hamilton recommended delaying the student fee portion until MSU works with OCHE. She suggested the regents address the 3% mandatory fees, then vote on the student fee portion at the next conference call meeting. The regents agreed to defer the fees on the MSU side, to be addressed at a conference call meeting.

President Gamble reminded the regents that the bills still need to be paid and that this project and the whole strategy of the students was approved when the project was approved in 2004. The only change is that MSU brought this back for approval once the bill was due.

Regent Barrett clarified the motion was for approval of fees up to 3%.

Regent Hamilton moved to delay consideration of the student activity fee until a later date to be determined by the commissioner's office. President Gamble clarified the decision has to be made prior to September 2009.

Regent Hamilton withdrew her motion and moved mandatory fees as presented up to 3%.

Regent Buchanan expressed opposition to this motion with concerns of sending the message to go ahead and ask for everything.



Regent Barrett requested using a different methodology in the future that does not show detailed line items.

Commissioner Stearns reminded the board that prior to this, the regents had made the decision to address fees every two years, following legislative sessions (Policy 940.31). She added that the policy specifically indicates that the proliferation of fees should be avoided.

Regent Barrett questioned how 41 new fees were presented by MSU, and asked that the number be reduced significantly prior to board approval.

Regent Hamilton moved approval of fees up to 3%, excluding the MT Tech fee for the student health facility and MSU student fees. Motion passed 6-1, with Regent Buchanan voting no.

COURSE FEES:

Regent Hamilton moved approval of all existing course fees as presented (not including new course fees). She stated that in the cases where the course fees are above the 3% increase, the fee has not increased for a long period of time.

Regent Christian noted that some of the course fees have a small dollar amount increase but are above a 3% increase.

Regent Jessen asked if students are aware of those fees with large increases.

Deputy Commissioner Robinson explained that on course fees that are above the 3% level, he did require supplemental documentation from the campuses regarding the need for the increase. He said he did have concerns with new fees for MSU-Bozeman. OCHE staff is satisfied with the increases in the existing and inflationary fees and feel those are justified and, therefore, urged support of those.

Regent Christian said he has concerns with the MSU Business School \$3 fee. He cautiously urged approval but recommended repealing it soon to come up with a different means of funding.

Regent Christian moved approval of existing fees throughout the system, excluding the new course fees. Motion passed 6-1, with Regent Buchanan voting no.

Regent Christian voiced concern about the new fees and moved the new fees for discussion on the next Board of Regent conference call meeting.

Regent Taylor wants information if it is a new course that has a fee or an existing course with a prior fee or a new fee.

Regent Barrett moved approval of the community college fee matrix as presented. Motion passed 6-1, with Regent Buchanan voting no.



TUITION

Regent Christian explained the matrix has the resident undergraduate and graduate tuition included, excluding the community colleges.

Regent Jessen moved on behalf of the students of the MUS that upon an increase of tuition for the academic school years for the current biennium, the following priorities be first met by distribution the additional funding provided by the students through tuition.

1. Continue the level of current resources through the retention of faculty and staff to preserve staff.
2. Continue academic availability.

The major reason for this is to preserve the jobs of campus employees, and classes/sections for students.

Students:

Tracie Snyder, ASMSU President, said she wants to instill quality services for future students and for Montana students to remain competitive.

Sonny Kless, ASUM, encouraged support for a modest tuition increase to ensure programs would not be cut.

Kristiny Lorett, MSU-Northern, stated the tuition increase is directly connected to quality for students.

Regent Jessen said the students want to make sure everyone is on the same page. Students are aware of the cost of tuition and are willing to make the sacrifice to make sure people stay employed. Securing the jobs of campus personnel is vital to the students' quality education, providing services that students need to graduate in less time.

Regent Barrett moved approval of the matrices as presented, to raise tuition 3% at MSU-Bozeman and UM-Missoula and to freeze tuition at the nine remaining campuses. Regent Barrett added that when that amount is determined, the regents want to see a proposal of how the money will be allocated to the affiliate campuses in order for the affiliate campuses to maintain a 0% tuition increase. Deputy Commissioner Robinson will work with Regent Christian with respect to the allocation of state funds to all campuses.

Regent Jessen said the students are opposed to MSU-Bozeman and UM-Missoula being the only campuses that see a tuition increase. The smaller campuses also need to have a tuition increase.

Regent Hamilton moved an amendment to Regent Barrett's motion. She supported the concept of Regent Barrett's motion, but moved to amend his motion for a tuition



increase of 5% (rather than 3%). She stated that she did this for several reasons, including:

- Information presented by the campuses at the May 13, 2009, Board of Regents Budget Committee Meeting indicated that even a 5% tuition increase only covers half of the funding gap.
- The pleas of the students.
- Needs and rationale of the faculty.
- Need to maintain credibility in the system and of the Board of Regents.
- The fact that a small percentage increase may save the students from being in school another semester.

Regent Jessen said tuition approval needs to be higher than 3% and he believes it should be at all the campuses.

Motion failed 2-5 with Regents Hamilton and Jessen voting yes.

Regent Hamilton agreed that no one wants to increase the costs, but said the question is what kind of commitment are the regents willing to make to maintain a quality education. She said even with the 3% increase, there are going to be significant changes on the campuses that are going to negatively affect the students. The legislature understands the Board of Regents has a responsibility to assure quality education. Regent Hamilton said she did not believe a 3% increase would price anyone out of an education. The students have said to the board through their democratic processes that access to the students is more than just showing up at campuses and classes.

Regent Jessen said the campuses will experience shortfalls and it is important for the students to have a quality education so they can remain competitive on a national level.

President Dennison said the effects of a 3% tuition increase are going to be difficult at MSU-Bozeman and UM-Missoula.

Regent Barrett's motion for a 3% increase at UM-Missoula and MSU-Bozeman passed 4-3.

Regent Christian clarified there will be a 0% tuition increase at all three community college campuses.

Regent Barrett moved approval of matrices as presented, and clarified that his motion did not include the "Grow Eastern Montana" project pilot program for Dawson Community College. Motion passed 7-0.

CONSENT

- a. Memorandum of Understanding Between MSU & MSU Foundation; MSU-Bozeman ITEM 143-2010-R0509



- b. Memorandum of Understanding Between UM & UM Foundation; UM-Missoula ITEM 143-1009-R0509
- c. Authorization to Expend Student Computer Fees; MT Tech ITEM 143-1503-R0509
- d. Authorization to Expend Student Computer Technology Fees; UM-Helena COT ITEM 143-1901-R0509
- e. Authorization to Accept the Donation of Real Property; UM-Helena COT ITEM 143-1902-R0509
- f. Execute Easement/Right of Way Agreement at Kagy Boulevard & South 11th Ave with the City of Bozeman; MSU-Bozeman ITEM 143-2008-0509
- g. Easement/Right of Way Between Hill County Electric Cooperative & Northern Ag Research Center, MT Agricultural Experiment Station; MSU-Bozeman ITEM 143-2009-0509
- h. Approval of Participants: Rural Physician Incentive Program; Office of the Commissioner of Higher Education ITEM 143-104-R0509

Regent Christian moved approval of items a-h of consent agenda. Motion passed 7-0.

Commissioner Stearns recognized Ellen Swaney, OCHE, who is retiring and student regent Mitch Jessen, whose term will expire July 1, 2009.

b. Academic and Student Affairs

ACTION

- a. Revision of Policy 706.1; Faculty Tenure ITEM 143-103-R0509
- b. Hamilton Higher Education Center; ITEM 143-1010-R0509
- c. Montana State University-Great Falls COT Mission Statement; ITEM 143-2851-R0509

Level II Items

- d. A.A.S. in Insurance; Miles Community College ITEM 142-402-R0309
- e. A.A.S. in Biofuels Energy; Miles Community College ITEM 142-403-R0309
- f. Certificate of Applied Science in Computer Aided Design; UM-Missoula COT ITEM 142-1008-R0309
- g. Masters of Science in Geography; UM-Missoula ITEM 142-1009-R0309

Regent Hamilton moved approval of items a-g. Motion passed 7-0.

CONSENT

Level I memorandum

Regent Hamilton moved approval of the consent agenda. Motion passed 7-0.

c. Staff and Compensation

INFORMATION

- a. Collective bargaining update



Kevin McRae, Director of Labor Relations and Personnel, OCHE, updated the regents on the collective bargaining process. He said one year ago, the regents approved a budget that included the funding request for pay raises for university system employees, raises of 4% for each year of the biennium. In addition, having a special funding pool to be used for retention and recruitment purposes was also a high priority. Mr. McRae explained that the current budget situation resulted in no funding for pay raises through the legislative budget process. Mr. McRae said he has been maintaining so far the position of a pay freeze. He requested guidance from the regents regarding a pay freeze or negotiated pay raises throughout the system.

Regent Christian recommended following the position of a pay freeze. The regents concurred with a pay freeze by consensus.

b. University Faculty Association (UFA) presentation

Doug Coffin, UM-Missoula, Vice President of the University Faculty Association, said the issues facing the MUS are daunting and the MUS is at a critical juncture. He said the regents need to think about how they are going to fund the university system in the future.

Quinton Nyman, Executive Director of the Montana Public Employees Association (MPEA), read a letter asking to partner with the regents in problem solving. Mr. Nyman requested engaging in sustainable collective bargaining, without reverting to the state agreement.

LeAnn Gills, staff member of MSU-Great Falls COT, read a petition which requests the board's attention to the following concerns:

1. The Board of Regents and Commissioner of Higher Education do not exercise their constitutional authority to engage in meaningful, substantive collective bargaining with MPEA.
2. MPEA members are expected to contribute to the mission of the Montana University System and provide exceptional service to students while being forced to live and provide for their families on substandard wages that do not meet any definition of a living wage in Montana.
3. MPEA members, the most vulnerable individuals during a fiscal crisis, are forced to endure an unfair share of the burden of budget limitations through layoffs and reduced hours.
4. Decisions to address fiscal problems are made by MUS administration without allowing MPEA to be part of the discussion and problem-solving process.

Doug Coffin said there is a need for a statewide advocacy group to work on higher education with the legislature and to advocate for the MUS and for funding.

Regent Christian thanked the speakers for their comments.

c. Presidential Executive Search



Regent Christian, Chair of the MSU Presidential Search Committee, told the board the committee has been formed and the search is underway.

CONSENT

Staff Items

- a. MT Tech of UM ITEM 143-1500-R0509
- b. UM Western ITEM 143-1600-R0509
- c. MSU-Billings ITEM 143-2700-R0509
- d. MSU-Northern ITEM 143-2800-R0509
- e. MSU-Great Falls COT ITEM 143-2850-R0509
- f. Authority for Employee Equity Interest and/or Business Participation under Policy 407; (Roos & Reibel) MSU-Bozeman ITEM 143-2006-R0509
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- l. Professor Emeritus of English: Michael Beehler; MSU-Bozeman ITEM 143-2001-R0509
- m. Professor Emeritus of Physics: Gerald F. Wheeler; MSU-Bozeman ITEM 143-2002-R0509
- n. Professor Emeritus of Nursing: Elizabeth G. Nichols; MSU-Bozeman ITEM 143-2003-R0509
- o. Professor Emeritus of Architecture: Peter Kommers; MSU-Bozeman ITEM 143-2004-R0509
- p. Professor Emeritus of English: Sharon Beehler; MSU-Bozeman ITEM 143-2005-R0509
- q. Professor Emeritus of Mathematics: Joseph Howell; MSU-Billings ITEM 143-2710-R0509

Regent Christian moved approval of consent items a-q. Motion approved 7-0.

d. Workforce Development Committee

ACTION

Policy Audit; ITEM 143-107-R0509



Deputy Commissioner Moe referred the board to the report on the policy audit that was provided as an attachment to this item. The audit is quite extensive and is dedicated to the policy framework for two-year education with respect to:

- Readiness for two-year programs
- Access to two-year education
- Adequacy of curriculum and transfer practices
- Affordability
- Efficiency

Deputy Commissioner Moe noted that in each of these sections, a need for greater consistency and coordination is evident. As individual campuses, within the limits of their mission and funding, Montana's two-year colleges appear to serve their students and communities well, but they do not function well as an unofficial system funded primarily with state dollars.

The policy audit report ended with many recommendations, but Deputy Commissioner Moe suggested that the recommendations are essentially encompassed in the three general recommendations. Deputy Commissioner Moe presented a draft resolution entitled Advancing the MOA Productivity Agenda and stressed the importance of an integrated information system, which will allow the two-year campuses to continue to serve their local communities and also serve the entire state in a way the MUS cannot currently do. She added that this addresses the strategic planning goals of increased educational attainment, maintaining a vibrant economy and institutional efficiency and effectiveness. The recommendations include:

1. Bringing the full two-year mission to all two-year colleges
2. Coordinating approaches to dual credit
3. Developing an integrated information system to facilitate access, coordination, resource-sharing and efficiency

Regent Barrett moved approval of the resolution, with the understanding that this is to move forward with the concept.

Regent Hamilton supported the resolution and wants to make sure this does not preclude the stand-alone campuses from serving their local communities in that way.

President Dennison expressed concern with the development of the integrated information system.

Regent Pease said the three points in the resolution are crucial to going forward.

Regent Buchanan supported the resolution and said it is critical and important to going forward with this. He added that the funds need to be available prior to implementing the integrated information system.

Superintendent Juneau said her office has been working closely with Deputy Commissioner Moe and requested that wording be included in the resolution specifically stating "including the Office of Public Instruction" as one of the stakeholders.



Regent Barrett moved to amend his motion on the approval of the resolution to include Superintendent Juneau's wording.

Chancellor Gilmore expressed concerns with having an integrated two-year system and would like the proposal to address the two co-located two-year campuses.

Motion passed 7-0.

DISCUSSION

The Academic Year in Review: Perkins IV Report

Deputy Commissioner Mary Moe referred the board to the annual report on the Perkins IV activities in Montana. She stated that Perkins IV provides an incentive and a focus to the collaborations between secondary and postsecondary sectors in Montana. It includes collaboration with higher education, and community and state organizations dedicated to connecting sustaining work with industry needs. The upcoming year will involve an even higher level of collaboration as the coordination activities involved in the resolution just adopted by the regents go forward.

CONSENT

System Issues Consent Agenda

- Policy Revisions

Regent Hamilton moved approval of the policy revisions. Motion passed 7-0.

- Local Executive Board Appointees

Regent Christian moved approval of the local executive board appointees. Motion passed 7-0.

College Savings Plan Annual Report by Pacific Life

Bruce Marks, Director of the Montana Guaranteed Student Loan Program, OCHE, introduced Tony DuFault of Pacific Life and Dan Davenport of College Savings Bank. College Savings Bank provides the fixed income products for the Family Educational Savings Program (FESP). Pacific Life provides the investment products for the program. Mr. DuFault reviewed Pacific Life's mutual fund performance over the last year. Regent Buchanan acknowledged Montana's partnership with College Savings Bank and Pacific Life and indicated he and the FESP Oversight Committee continue to work on providing more choices for Montanans.

Financial Aid and Student Loan Update

- Federal Family Education Loan Program (FFELP) Update



Bruce Marks, Director of the Montana Guaranteed Student Loan Program (MGSLP) commented on the Montana Family Education Savings Program, which recently received a poor review from Morningstar. Mr. Marks disagreed with the review, but acknowledged there is always room for improvement. He indicated that MGSLP will be initiating a Request For Proposal (RFP) for additional program managers and investment choices for our Montana investors.

Jim Stipcich, Executive Director of Student Assistance Foundation (SAF) gave an overview of the student loan industry for academic years 2009-2011. Mr. Stipcich said the flow of funding for student loans for academic year 2009-2010 is fine. His office has seen some shifting of loans from parents to students. He said US Bank will be selling their loans to the U.S. Department of Education and that he expects Wells Fargo to do the same. He clarified that MHESAC will not be selling their loans to the U.S. Department of Education. Mr. Stipcich told the board that some students will have two servicers now, the U.S. Department of Education and Montana Higher Education Student Assistance Corporation (MHESAC). The consolidation of servicing is a large contributor to loan defaults because students have to send separate payments for each servicer, which makes the management of the loans more complicated. He stated that interest rates have stabilized since the first of the year and that MHESAC is remaining strong. Congress is considering legislation for a direct loan program which would mean all loans for the following academic year would be originated in the federal government. He clarified that students will continue to pay the same interest rates as today. Mr. Stipcich told the board there could be staff implications in the campus financial aid offices if the direct loans are implemented.

Regent Hamilton asked what portion of this is in the control of the Board of Regents. Mr. Stipcich responded the time is right for the board to talk about the issue of local servicing.

Commissioner Stearns pointed out that the issue of servicing is a big issue and hopes Montana can maintain some of its own servicing if possible. She requested that the regents support the continued servicing in Montana.

Mr. Stipcich said the MHESAC board is in the process of drafting a specific resolution.

Election of Board of Regents Officers

Regent Buchanan moved approval of Regent Barrett as Chair and Regent Christian as Vice-Chair of the Board of Regents. Motion passed 7-0.

The meeting adjourned at 3:30 PM.



MONTANA UNIVERSITY SYSTEM

Posted on

Approved by the Board of Regents on

Date

Date

Sheila M. Stearns
Commissioner of Higher Education
and Secretary to the Board of Regents

Stephen Barrett
Chair, Board of Regents